

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 98-0038P & 98-0040P**

**Use Tax**

**Calendar Years 1994, 1995, and 1996**

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**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer is an Illinois Corporation with an Indiana location qualified to do business in the state since December 28, 1982.

Taxpayer protests the penalty assessed on an audit completed on September 25, 1997.

Taxpayer failed to remit use tax on clearly taxable items and had no use tax accrual system in place.

1. **Tax Administration** – Penalty

**DISCUSSION**

Taxpayer's audit report revealed that no use tax accrual system was in place although the taxpayer was registered with the Department.

Taxpayer states it was unaware of all the laws associated with the audit of their sales tax and that they have always paid their Indiana taxes in a timely manner. A penalty waiver is requested.

Taxpayer, however, should assure it is aware of the tax consequences when it does business in this state. In addition, the ST103 has a line on which to report the use tax due.

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**FINDING**

Taxpayer's protest is denied.